

**Certificate on  
Status Report on Utilization of Proceeds  
From Initial Public Offering (IPO) of  
The Peninsula Chittagong Limited  
For the Month of April 2021**



Solution....Begins

**Certificate on**  
**Status Report on Utilization of Proceeds from Initial Public Offering (IPO) of**  
**The Peninsula Chittagong Limited**  
**For the Month of April 2021**

We have been engaged by The Peninsula Chittagong Limited (the "Company") to certify whether the Company has complied with the conditions of Initial Public Offering (IPO) in relation to the utilization of proceeds from Public Offering as required by Bangladesh Securities and Exchange Commission (BSEC) vide its consent letter (ref: SEC/CI/IPO-205/2012-140 dated February 19, 2014) issued for IPO under section 2CC of the Securities and Exchange Ordinance 1969.

**The Company's Responsibilities**

The Company management is responsible for utilizing the proceeds from IPO and preparation of Status Report on utilization of Proceeds from Public Offering in accordance with the conditions of IPO consent letter issued by BSEC.

**Our Responsibilities**

Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from IPO with reference to the Terms of Reference formulated by BSEC and certify whether the proceeds have been utilized and the Status Report have been prepared in accordance with the conditions of IPO consent letter.

**We report that:**

We have examined relevant documents, obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of verification and certification of the Status Report. As per Terms of Reference of audit of Status Report, we certify that:

- a) The company has utilized an amount of Taka 1,125,968,827 till 30 April 2021 for the purpose as specified in the prospectus and as per the decision of shareholders in the Extraordinary General Meeting (EGM) held on 14 December 2020 out of total IPO proceeds of Taka 1,650,000,000. Balance IPO proceeds amounting to Taka 524,031,173 remain unutilized on the reporting date.
- b) IPO proceeds are being utilized in line with the conditions of the BSEC's consent /approval letter for the Initial Public Offering and revised implementation schedule as approved by the shareholders in the 8<sup>th</sup> EGM held on 14 December 2020.
- c) The company has utilized the proceeds from Initial Public Offering within the time schedule and purposes as specified in the prospectus and in line with the revised implementation schedule as approved by shareholders in the 8<sup>th</sup> EGM held on 14 December 2020. We also report that:



Solution....Begins

# Rahman Mostafa Alam & Co.

## Chartered Accountants



- i. Unutilized IPO proceeds under proposed utilization of the Extension of the Peninsula Chittagong Limited and IPO expenses amounting to Taka 70,000,000 and Taka 18,672,246 respectively have been utilized for the purposes of short-term bank loan repayment by virtue of a decision taken in the EGM of shareholders held on 02 April 2015.
  - ii. The estimate for Construction of Peninsula Airport Garden has been revised at an estimated cost of Taka 1,170,445,446 showing a surplus of Taka 240,081,320 in the original estimate. The shareholders in the EGM held on 04 December 2016 approved payment of bank loan to the tune of Taka 250,000,000 out of IPO Proceeds.
  - iii. Out of Taka 1,410,526,766 earmarked for the construction of Peninsula Airport Garden, an amount of Taka 250,000,000 was utilized to repay the loan as approved in the EGM held on 04 December 2016 and Taka 6,555,000 was utilized for the purpose of acquisition of land during December 2016. Out of the remaining balance of Taka 524,031,173 an amount of Taka 500,000,000 has been kept in Twenty two (22) FDR accounts and Taka 24,031,173 bank balance is lying with Eastern Bank Limited A/c No. 0011360813331.
  - iv. Implementation time for construction of Peninsula Airport Garden has been extended up to 30.06.2022 instead of 31.12.2021 by obtaining approval from general shareholders in their meetings held on 02 April 2015, 04 December 2016, 30 October 2018 & 14 December 2020.
  - v. Interest on FDR up to 30 April 2021 stood at Taka 566,187,484 and un-utilized IPO proceeds along with interest income stood at Taka 1,090,218,657.
  - vi. In addition to the IPO fund Tk. 1,170,445,446 to be utilized for Construction of Peninsula Airport Garden, an amount of Tk. 1,250,558,794 has been approved by general shareholders in their 8<sup>th</sup> EGM held on 14 December 2020 to spend for the same. This additional amount will be funded by bank loan and other sources.
- d) Utilization of IPO proceeds was accurate and made for the purpose of the company as mentioned in the prospectus and revised implementation schedule as approved by the shareholders in the EGMs held on 02 April 2015, 04 December 2016, 30 October 2018 & 14 December 2020.
- e) Assets have been procured/imported/constructed maintaining proper/required procedure as well as at a reasonable price.
- f) Verification of all necessary documents/papers/vouchers has been made in support of utilization of IPO proceeds making reconciliation with bank statements.

**Firm's Name** : Rahman Mostafa Alam & Co.  
Chartered Accountants

**Signature** :

**Auditor's Name** : Arafat Kamal FCA (1184)

**Date** : May 09, 2021

**Place** : Chattogram

**DVC** : 2105111184CC253410

**Report on Utilization of IPO Proceeds for the month of April 2021**

Name of the Company  
Amount (BDT) of Capital Raised Through IPO  
Date of Close of Subscription  
Proceeds Receiving Date  
Last Date of Full Utilization of Fund as per Prospectus

: The Peninsula Chittagong Limited  
: Tk. 1,650,000,000  
: 12 April 2014  
: 12 April 2014  
: Within 26 Months and 18 days of obtaining IPO proceeds i.e. 30 July 2016 (Subsequently extended upto 30.06.2022)

| Sl.          | Purpose Mentioned in the Prospectus                     | Time line as per prospectus | Revised time line | Amount as per prospectus | Amount as per revised utilization plan | Status of Utilization  |                       |            | Remarks  |
|--------------|---|-----------------------------|-------------------|--------------------------|--|------------------------|-----------------------|------------|--|
|              |   |                             |                   |                          |  | Utilized in April 2021 | Total utilized amount | Utilized % |  |
| 1            | Extension of The Peninsula Chittagong                   | 30.05.2014                  | -                 | 70,000,000               | -                                      | -                      | -                     | -          | Proposed utilization has been amended to utilize for the purpose of repayment of short term bank loan. |
| 2            | Construction of Peninsula Airport Garden (Annexure-"B") | 30.06.2016                  | 30.06.2022        | 1,410,526,766            | 1,170,445,446                          | 2,884,001              | 524,031,173           | 55.23%     | Revised Utilization plan has been approved by shareholders in EGM held on 14.12.2020                   |
| 3            | Repayment of Long Term Loan                             | When Applicable             | -                 | 132,973,234              | 132,973,234                            | -                      | -                     | 100%       | This amount has been utilized as per prospectus.   |
| 4            | Repayment of Short Term Bank Loan                       | -                           | -                 | -                        | 338,672,246                            | -                      | -                     | 100%       | The amount has been fully utilized as per revised utilization plan.                                    |
| 5            | IPO Expenses  | When Applicable             | -                 | 36,500,000               | 7,909,074                              | -                      | -                     | 100%       | The amount has been fully utilized as per revised utilization plan.                                    |
| <b>Total</b> |   |                             |                   |                          |  | 2,884,001              | 524,031,173           |            | Refer to Annexure  |

Current Interest rate  
Interest on IPO/RPO/RI proceeds (upto April-2021)  
Unutilized IPO/RPO/RI proceed with interest income

|               |
|---------------|
| 6.00%         |
| 566,187,484   |
| 1,090,218,657 |

  
Chairman

  
Director

  
Company Secretary

Chattoogram, 09 May 2021

  
Rahman Mostafa Alam & Co.  
Chartered Accountants



## Annexure - "A"

**Certificate on  
Status Report on Utilization of Proceeds from Initial Public Offering (IPO) of  
The Peninsula Chittagong Limited  
For the Month of April 2021**

|   | <u>Amount</u><br><u>Taka</u> |
|---|------------------------------|
| <b>Bank Balance as on 30 April 2021 was made up as follows:</b> |                              |
| FDR No-012324300012995 in The Premier Bank Ltd.                 | 100,000,000                  |
| FDR No-012324300012996 in The Premier Bank Ltd.                 | 50,000,000                   |
| FDR No-012323100000107 in The Premier Bank Ltd.                 | 50,000,000                   |
| FDR No-012324300013900 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324300013911 in The Premier Bank Ltd.                 | 10,000,000                   |
| FDR No-012324300013912 in The Premier Bank Ltd.                 | 10,000,000                   |
| FDR No-012324300013913 in The Premier Bank Ltd.                 | 10,000,000                   |
| FDR No-012324300013914 in The Premier Bank Ltd.                 | 10,000,000                   |
| FDR No-012324300013915 in The Premier Bank Ltd.                 | 10,000,000                   |
| FDR No-012324300013916 in The Premier Bank Ltd.                 | 10,000,000                   |
| FDR No-012324300013917 in The Premier Bank Ltd.                 | 10,000,000                   |
| FDR No-012324300013918 in The Premier Bank Ltd.                 | 10,000,000                   |
| FDR No-012324400001821 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324400001822 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324400001823 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324400001824 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324400001825 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324400001826 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324400001827 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324400001828 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324400001829 in The Premier Bank Ltd.                 | 20,000,000                   |
| FDR No-012324400001830 in The Premier Bank Ltd.                 | 20,000,000                   |
| Balance at Eastern Bank Limited, A/C No-0011360813331           | 24,031,173                   |
| <b>Total balance in Bank Accounts for IPO proceeds</b>          | <b>524,031,173</b>           |

|  | <u>Amount</u><br><u>Taka</u> |
|--|------------------------------|
| <b>Reconciliation between unutilized balance and bank balance:</b>         |                              |
| Balance at Eastern Bank Limited, A/C No-0011360813331                      | 24,031,173                   |
| <b>Add:</b>  |                              |
| Exchange loss on IPO subscription in Foreign Currencies                    | (41,928)                     |
| Bank charges and others etc.   | (125,694)                    |
| Amount refundable to IPO applicants  | 6,367,542                    |
| Interest credited (net of tax)   | 3,656,146                    |
|  | 9,856,066                    |
| <b>Balance as per Bank statement (Eastern Bank Limited, A/C No-813331)</b> | <b>33,887,240</b>            |

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Company Secretary

Chattogram, 09 May 2021

  
\_\_\_\_\_  
Rahman Mostafa Alam & Co.  
Chartered Accountants



Construction of Peninsula Airport Garden

Annexure - "B"

| Purpose Mentioned in the Prospectus/Revised     | Time line as per prospectus | Revised time line | Amount as per prospectus | Amount as per last revised utilization plan | Utilized in April 2021 Taka | Status of Utilization |               |                         | Utilization Time Line             |
|---|-----------------------------|-------------------|--------------------------|---|-----------------------------|-----------------------|---------------|-------------------------|-----------------------------------|
|   |                             |                   |                          |   |                             | Total utilized amount | Utilized %    | Total unutilized amount |                                   |
| Land Lease                                      |                             |                   | 396,450,000              | 6,555,000                                   | -                           | 6,555,000             | 100.00%       | -                       | By April 2017                     |
| Land Development & Registration                 |                             |                   | 23,500,000               | 742,597,087                                 | 2,165,289                   | 543,163,724           | 73.14%        | 199,433,363             | By May 2022                       |
| Civil Works                                     |                             |                   | 180,000,000              | 7,839,630                                   | -                           | 7,839,630             | 100.00%       | -                       | By May 2022                       |
| Machineries, Equipments and Vehicle             |                             |                   | 276,000,000              | 116,649,531                                 | -                           | 20,067,340            | 17.20%        | 96,582,191              | By May 2022                       |
| Interior Decoration, Furniture and Fixtures     |                             |                   | 284,000,000              | 31,333,361                                  | -                           | 31,333,361            | 100.00%       | -                       | By May 2022                       |
| Parking   | 30.06.2016                  | 30.06.2022        | 33,000,000               | 24,992,875                                  | -                           | 24,992,875            | 100.00%       | -                       | By June 2022                      |
| Kitchen, Crockeries and Cutleries               |                             |                   | 26,000,000               | 10,177,868                                  | -                           | 10,177,868            | 100.00%       | -                       | By June 2022                      |
| Laundry   |                             |                   | 65,000,000               | -   | -                           | -                     | 0.00%         | -                       | By June 2022                      |
| Restaurant and Bar                              |                             |                   | 25,000,000               | -   | -                           | -                     | 0.00%         | -                       | By June 2022                      |
| Health Club and SPA                             |                             |                   | 13,200,000               | -   | -                           | -                     | 0.00%         | -                       | By June 2022                      |
| Swimming Pool                                   |                             |                   | 38,376,766               | 623,133                                     | -                           | 623,133               | 100.00%       | -                       | By June 2022                      |
| Lift & Generator and Utility                    |                             |                   |                          | 5,000,000                                   | -                           | -                     | 0.00%         | 5,000,000               | By June 2022                      |
| Sanitary and Plumbing Work                      |                             |                   |                          | 14,676,961                                  | 718,712                     | 1,661,342             | 11.32%        | 13,015,619              | By June 2022                      |
| Electric Work                                   |                             |                   |                          | 180,000,000                                 | -                           | -                     | 0.00%         | 180,000,000             | By June 2022                      |
| Air Condition Work                              |                             |                   |                          | 30,000,000                                  | -                           | -                     | 0.00%         | 30,000,000              | By June 2022                      |
| Fire Fighting                                   |                             |                   |                          |   | -                           | -                     | 0.00%         |                         | By June 2022                      |
| <b>Construction of Peninsula Airport Garden</b> | <b>30.06.2016</b>           | <b>30.06.2022</b> | <b>1,410,526,766</b>     | <b>1,170,445,446</b>                        | <b>2,884,001</b>            | <b>646,414,273</b>    | <b>55.23%</b> | <b>524,031,173</b>      | <b>44.77%</b> <b>By June 2022</b> |

  
Chairman

  
Director

  
Company Secretary

Chattoqram, 09 May 2021



Rahman Mostafa Alam & Co.  
Chartered Accountants